

MILLARD KENNETH E  
 Form 4  
 January 19, 2006

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MILLARD KENNETH E

2. Issuer Name and Ticker or Trading Symbol  
 DIGI INTERNATIONAL INC  
 [DGII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 01/18/2006

Director  10% Owner  
 Officer (give title below)  Other (specify below)

647 NORTH LAKEVIEW PARKWAY

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

VERONA HILLS, IL 60061

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction of | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount of Underlying Securities | 8. F |
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|--|------|
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|--|------|

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| Security<br>(Instr. 3)               | or Exercise<br>Price of<br>Derivative<br>Security | any<br>(Month/Day/Year) | Code<br>(Instr. 8) | Securities<br>Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | (Month/Day/Year) |            | (Instr. 3 and 4) | Sec<br>(In |
|--------------------------------------|---|-------------------------|--------------------|---|------------------|------------|------------------|------------|
|                                      |   |                         |                    |   | Code V           | (A) (D)    |                  |            |
| Stock<br>Option<br>(right to<br>buy) | \$ 10.93  | 01/18/2006              | A                  | 9,500   | <u>(1)</u>       | 01/18/2016 | Common<br>Stock  | 9,500      |
| Stock<br>Option<br>(right to<br>buy) | \$ 10.93  | 01/18/2006              | A                  | 3,500   | <u>(1)</u>       | 01/18/2016 | Common<br>Stock  | 3,500      |
| Stock<br>Option<br>(right to<br>buy) | \$ 10.93  | 01/18/2006              | A                  | 2,500   | <u>(2)</u>       | 01/18/2016 | Common<br>Stock  | 2,500      |

## Reporting Owners

**Reporting Owner Name / Address**

**Relationships**

Director    10% Owner    Officer    Other

MILLARD KENNETH E  
647 NORTH LAKEVIEW PARKWAY    X  
VERONA HILLS, IL 60061

## Signatures

/s/ Amy C. Seidel on behalf of Kenneth E.  
Millard

01/18/2006

          Signature of Reporting Person

          Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- (1) The option vests in 50% increments on the dates of the 2007 and 2008 Annual Meetings of Stockholders.
- (2) The option vests in full on the date of the 2007 Annual Meeting of Stockholders.
- (3) Not applicable.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.